

3123505

POLITELA  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
31ST OCTOBER 1996



K.S. CARMICHAEL CBE  
117 Newberries Avenue  
RADLETT, Hertfordshire WD7 7EN

**POLITEIA**

**OFFICERS AND ADVISERS**

**Directors:**

The Rt. Hon. The Lord Parkinson PC  
Canon Pilkington  
Dr S.M.M. Lawlor

**Secretary:**

Dr S.M.M. Lawlor

**Registered Office:**

8-10 New Fetter Lane  
LONDON  
EC4A 1RS

**Bankers:**

Coutts & Co.  
Adelaide Branch  
440 Strand  
LONDON  
WC2R 0QS

**Auditor:**

K.S. Carmichael CBE  
117 Newberries Avenue  
RADLETT  
Hertfordshire  
WD7 7EN

**Company No:**

3123505

## **POLITEIA**

### **REPORT OF THE DIRECTORS**

The Directors present their report and the financial statements for the period ended 31st October 1996.

#### **Incorporation**

The Company was incorporated on 8th November 1995 under the title Politeia.

The Company has no authorised or issued share capital and is limited by guarantee from 3 members to the extent of £1 each, in the event of the company being wound up.

The income and property of the Company, whensoever derived, shall be applied solely towards the promotion of the objects of the Company set forth in the Memorandum of Association, and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Company.

If upon the winding up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Company, but shall be given or transferred to such other organisation being an organisation which prohibits the distribution of its profits to its members and having objects identical with or similar to those of the Company as the members of the Company shall resolve.

#### **Principal Activities and Business Review**

The objects for which the Company is established are:-

- i. to promote and advance for the benefit of the public education in national and international issues affecting the citizen to include but not limited to the role of government in society, the constitution and the future of the welfare state;
- ii. to encourage research and publication and discussion of such issues as those set out at (i) above by any means and in any place; and,
- iii. to support and assist charitable and other organisations whose objects contribute in any way and in any part of the world to the object as (i) above.

It aims to encourage public discussion on the relationship between the state and people. Such discussions are circulated by Politeia by the issue of printed pamphlets or lectures. The views expressed are those of the individual authors and are not a corporate opinion. The company is funded by private donations and from subscriptions, sales of publications and fees from delegates attending conference.

The directors are satisfied with results for the first year of its activity and are pleased with the number of publications issued, the interest generated and are extremely grateful to all contributors.

#### **Directors and their Interest**

The Rt. Hon. The Lord Parkinson PC, Canon Pilkington and Dr S.M.M. Lawlor were appointed the first directors of the company and have acted as such for the whole of the period under review.

As indicated above, the directors only interest in the company is as guarantors.

## POLITEIA

### REPORT OF THE DIRECTORS (Continued)

#### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those accounts, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- d. prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Tax Status

The company is a close company within the meaning of the provisions of the Corporation Taxes Act 1988. However, in the view of the directors, there is no Corporation Tax liability on the surplus as the main source of income is from donations and grants which is not a trade, nor does it constitute investment income or capital gains.

#### Audit/Auditor

The Directors appointed K.S. Carmichael CBE FCA to act as auditor in of the company in respect of the first accounts. Mr Carmichael has intimated his wish to retire and in accordance with Section 386 of the Companies Act 1985 a resolution will be proposed at the annual general meeting to appoint Mr Douglas Moore FFA as <sup>auditor</sup> ~~accountant~~.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

Approved by the Board of Directors on 1997 and signed on their behalf by:

Sue'k L... 24/7/97

Sue'k L... Secretary

24 July 1997

## AUDITOR'S REPORT

I have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### Respective responsibilities of Directors and Auditor

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

### Basis of opinion

I conducted my audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures on the financial statements. It also includes the assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.


I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In my opinion and subject to:-

- (i) the accounting policy on page 7 concerning the time at which the company takes credit for income; and
- (ii) the views of the directors in respect of taxation;

the financial statements give a true and fair view of the state of the company's affairs as at 31st October 1996 and of its surplus of income over expenditure for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



K.S. CARMICHAEL  
Registered Auditor  
Chartered Accountant

Date..... 28<sup>th</sup> July ..... 1997

117 Newberries Avenue  
RADLETT  
Hertfordshire WD7 7EN

**POLITEIA**

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE PERIOD 8th NOVEMBER 1995  
TO 31st OCTOBER 1996**

	Notes	£
Donations		115,325
Income	1	5,717
		<hr/>
		121,042
Administrative Expenses		112,836
		<hr/>
Surplus on ordinary activities being retained surplus for the period	2	£ 8,206
		<hr/> <hr/>

There were no recognised gains or losses other than those included in the income and expenditure account.

**POLITEIA**

**BALANCE SHEET**

**AT 31st OCTOBER 1996**

	Note	£	£
<b>Fixed Assets</b>			
Tangible Assets	4		6,456
<b>Current Assets</b>			
Cash at bank		9,368	
Cash in hand		161	
		<hr/>	
		9,529	
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	5	7,779	
		<hr/>	
<b>Net Current Assets</b>			1,750
			<hr/>
<b>Net Assets</b>			£8,206
			<hr/>
<b>Capital and Reserves</b>	6		
<b>Income and Expenditure Account</b>			£8,206
			<hr/>

The directors have taken advantage of the special exemptions available to small companies, in the preparation of the accounts, on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

Approved by the Board of Directors on  
and signed on their behalf by:

1997

*Stella Leach* 24/7/97

*Stella Leach* ..... Director

24 July 1997

ACCOUNTING POLICIES

PERIOD ENDED 31st OCTOBER 1996

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are as set out below.

b. Comparative Figures

As the financial statements for the period to 31st October 1996 are the first financial statements of the company there are no comparative figures.

c. Depreciation of Tangible Fixed Assets

Depreciation is calculated at a rate to write off the cost of assets, less estimated residual value over their estimated useful life to the business as follows:-

Office equipment - at 20% on reducing balance

d. Income

Account is taken on a cash received basis in respect of donations, subscriptions, sales of pamphlets and conference attendance fees, since by the nature of the activities of the company until monies are received the company does not have any title thereto.

e. Corporation Tax

Corporation Tax is not relevant for these financial statements since a taxable surplus has not arisen.

f. Cash Flow Statement

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it qualifies as a small company, by virtue of Section 247 of the Companies Act 1985.



POLITEIA

FOR THE PERIOD 8th NOVEMBER 1995  
TO 31st OCTOBER 1996

NOTES TO FINANCIAL STATEMENTS

	£
1. Income	
Income comprises:	
Subscriptions	1,539
Sale of pamphlets	2,205
Conference fees	1,973
	<hr/>
	5,717
	<hr/>
2. Surplus on ordinary activities before taxation is stated after charging	
Auditor's remuneration	800
Depreciation	1,814
Formation expenses	3,264
Director's remuneration	40,000
	<hr/>
3. Taxation	
A provision for taxation has not been included in these financial statements since in the opinion of the directors the main source of income is from donations and grants, and there is no Corporation Tax liability from this income as it is not a trade, nor does it constitute investment income or Capital Gains.	
4. Tangible fixed assets	Office Equipment and Furniture
Cost:	
Additions in period and at 31st October 1996	8,270
	<hr/>
Depreciation:	
Charge for period and at 31st October 1996	1,814
	<hr/>
Net book value at 31st October 1996	6,456
	<hr/>

**POLITEIA**

**FOR THE PERIOD 8th NOVEMBER 1995  
TO 31st OCTOBER 1996**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

	£
5. Creditors: amounts falling due within one year	
Other creditors	648
Other taxation	1,999
Accruals	5,132
	<hr/>
	7,779
	<hr/>

6. Share Capital

The company being limited by guarantee has no issued share capital.

7. Capital Commitments

The company had no capital commitments either contracted for, or authorised by the Directors but not contracted for, at the balance sheet date.

8. Contingent Liabilities

The company had no contingent liabilities at the year end.

## POLITEIA

## INCOME &amp; EXPENDITURE ACCOUNT

FOR THE PERIOD 8th NOVEMBER 1995  
TO 31ST OCTOBER 1996

	£	£
Donations Received		115,325
Income		
Subscriptions		1,539
Sale of Publications		2,205
Conference Fees		1,973
		<hr/>
		121,042
Expenditure		
Hire of Equipment	153	
Salaries	57,820	
Casual assistance	7,928	
Travel	1,268	
Stationery	2,400	
Books	320	
Equipment repairs	376	
Costs of publication	11,378	
Insurance	307	
Telephone	2,233	
Entertaining	3,786	
Conference costs	5,949	
Sundries	170	
Rates/Rent	5,549	
Electricity	223	
Cleaning	1,380	
Photocopy costs	626	
Courier charges	210	
Unrecovered input VAT	2,405	
Depreciation	1,814	
Press cuttings	445	
Postage	1,884	
Formation expenses	3,264	
Accountancy	800	
Office repairs	148	
	<hr/>	112,836
Surplus for the period		<hr/> <hr/> £ 8,206